

July 7, 2005

**MEMORANDUM**

**To:** Sponsors  
**From:** Thelma Coney, Planning and Allocation Committee Chair  
**Re:** 2006 Discretionary Allocations Recommendations

**Revenue Update**

The ADS Discretionary fund sources consist of federal Older Americans Act (OAA), state Senior Citizens Services Act (SCSA), City of Seattle General Fund (GF), and Community Development Block Grant (CDBG).

The 2006 Discretionary revenue is updated as follows:

- Revenue from federal OAA and state SCSA are projected to be flat, except for a current Congressional proposal to increase OAA Nutrition funding.
- While Congress restored the Administration's proposed reduction in CDBG funds, Seattle will face a potential reduction due to the funding formula updates. Seattle's most recent demographic changes and other funding formula changes might translate into a possible 50% cut in CDBG funds. This reduction would have an impact on the City funds allocated to aging services.
- The OAA 2005 carryover amount is expected to be within the 10% allowable lid.

Another potential factor impacting ADS Discretionary services is a 7.5% reduction in United Way of King County (UWKC) funding for aging programs, effective July 2005. This would have a negative impact on programs receiving funds from both UWKC and ADS, and might affect the level of services delivered in ADS contracts.

**Recommended Funding Strategy**

Given this mixed funding outlook, staff proposes that the 2005 Allocations be carried forward to 2006, and that the Planning and Allocation Committee identify both unfunded priorities as well as considerations for potential funding reductions.



## Unfunded Priorities

In April, staff identified three areas for consideration of additional funding, should revenue exceeds the amount budgeted. Another area is inflationary adjustment.

- 1) ***Volunteer Transportation*** Increase reimbursement rate for volunteer drivers from the current 30 cents to 35 cents, at a total cost of \$18,000.

The current mileage reimbursement rate of 30 cents per mile for volunteer drivers is below the federal rate of 40.5 cents. Recent gas price hikes have worsened the discrepancy between costs and reimbursement. Many volunteers who previously donated their time and gas are now requesting mileage reimbursement. Recruitment of volunteer drivers has become more difficult partly because of the low mileage reimbursement rate. On average, transportation schedulers turn down 30 requests for rides each week because of a shortage of volunteers.

The program has requested funds in order to increase the mileage reimbursement rate by 5 cents to 35 cents for 2006. Future requests for bringing the rate to match the federal level will be forthcoming.

- 2) ***Nutrition Transportation*** Continue a one-time 2005 allocation of \$22,000 for driver salaries and benefits for 8 vans for transporting participants to Hispanic, Polynesian, Filipino, Laotian, Hmong and Korean congregate meal sites.

The Nutrition Transportation Program has requested additional funding in 2006 to continue nutrition van service to participants of the Hispanic, Polynesian, Filipino, Laotian, Hmong, and Korean ADS congregate meal sites as well as ADS meal sites in North Bend and Carnation. ADS funding is not sufficient to cover the cost of driver salaries and benefits for 8 vans. The cost of equipment and operations is covered by the service provider and Metro.

- 3) ***Special Information and Assistance*** Increase allocation by 5-10% (or \$35,118 to \$70,236) to meet increasing demand for services.
- 4) ***Inflationary adjustment*** The 2006 City of Seattle General Fund budget may include an inflationary adjustment of .87% for human services. Discretionary services purely funded by this fund source will receive the adjustment. To provide this adjustment to Discretionary services funded by federal and state sources will require approximately \$60,000.

## Strategies for Allocation Reductions

The Planning and Allocation Committee has previously developed the following criteria that have been adopted by the ADS Sponsors, as follows:

Service areas which do not meet the following criteria will be considered for funding reductions. Discretionary funding will be targeted for services which are:

- core services that enable older people or adults with disabilities to remain in their home and in the community.
- focused on serving older people or adults with disabilities who are frail, low income, ethnic minorities as a priority.
- effective in meeting program outcomes
- cost effective

Should 2006 Discretionary funding be lower than was budgeted, the Planning and Allocation Committee may consider the above criteria for making allocation reductions.